

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

**In the Matter of the Promulgation)
Of Proposed Rules Regarding)
Pre-Need Life Insurance Minimum)
Standards for Determining Reserve)
Liabilities and Nonforfeiture Values)**

**FINAL
ORDER ADOPTING RULES

FILE NO. RU-08-223**

THIS MATTER regarding proposed changes to N.D. Admin. Code Title 45 came before the North Dakota Commissioner of Insurance for consideration. The Commissioner, having published notice, having held a public hearing, having considered the testimony and filed comments of all interested persons, and having been otherwise fully advised in the premises, **FINDS AND CONCLUDES THAT:**

1. A Notice of Intent to Amend Administrative Rules describing the proposed rule changes was prepared and filed on July 18, 2008. The North Dakota Insurance Department staff also prepared a Regulatory Analysis, Small Entity Economic Impact Statement, and Small Entity Regulatory Analysis on July 18, 2008. A Takings Assessment Concerning Creation of N.D. Admin. Code Ch. 45-04-07.3 was also prepared on July 18, 2008.

2. The Notice, Regulatory Analysis, and Takings Assessment were made available to all interested persons.

3. An Abbreviated Notice of Intent to Amend Administrative Rules was properly published once in each official county newspaper at least 20 days prior to the date of the hearing.

4. A hearing was held on October 2, 2008, in Bismarck, North Dakota, to take comments on the proposed rules.

5. At the hearing, no comments were made and no written comments were received by the Insurance Department. The record was held open for additional written comments for 10 days after the hearing.

6. In promulgating the final version of the rules in the form attached to this Order, the Commissioner considered all testimony given at the hearings and all written comments that have been filed.

**N.D. ADMIN. CODE CHAPTER 45-04-07.3
PRE-NEED LIFE INSURANCE MINIMUM STANDARDS FOR
RESERVE LIABILITIES AND NONFORFEITURE VALUES**

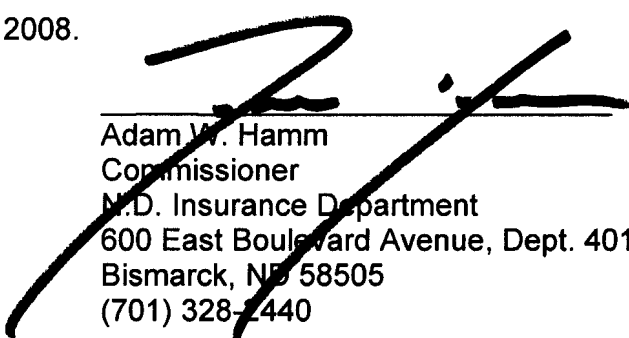
7. These rules establish minimum mortality standards to be used in determining reserve and nonforfeiture values for insurance policies used to fund pre-need funeral contracts. The rules are based on the model regulation passed by the National Association of Insurance Commissioners. The purposes of the rules are to establish minimum mortality standards for reserves and non-forfeiture values and to adopt the 1980 Commissioners Standard Ordinary (CSO) Mortality Table as the minimum mortality standard.

8. No comments were received.

ORDER

IT IS, THEREFORE, ORDERED that the rules in the form attached to this Order be adopted and filed in accordance with applicable provisions of state law to become effective on January 1, 2009, subject to the approval of the Administrative Rules Committee of the Legislative Council.

DATED this 13th day of November, 2008.



Adam W. Hamm
Commissioner
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